

AR TOWING AND RECOVERY BOARD

Enabling Laws

Act 106 of 2003
A.C.A. § 27-50-1203(c)(1)

History and Organization

Arkansas faced losing its Federal highway funds as a result of unfavorable findings by the Commercial Motor Vehicle Safety Regulatory Review Panel created by Congress in 1984. Thereafter, the 77th General Assembly enacted legislation creating the Arkansas Towing and Recovery Board [§ 27-50-1203(a)(1)], delegating to the Board authority to regulate Arkansas' towing industry [§ 27-50-1203(c) (1)]. Appropriation legislation was not enacted until 1993; therefore, implementation did not begin to be accomplished until late 1994.

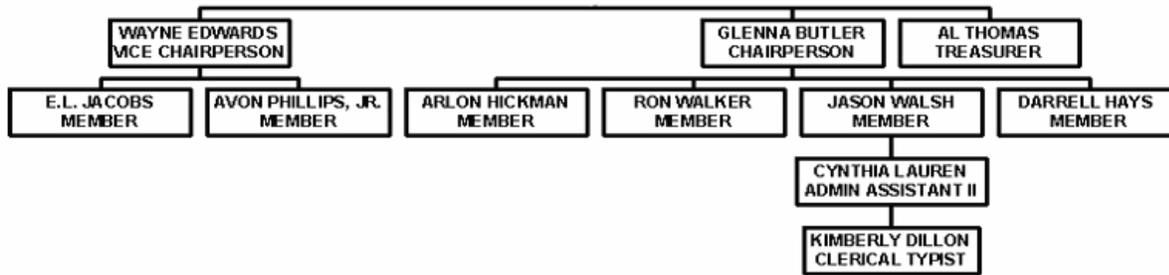
The Towing and Recovery Board promulgates and administers rules and regulations for the towing industry, establishing reasonable licensing, insurance, and safety equipment requirements for businesses providing non-consent towing and related services [§ 27-50-1203(c)(1)(A) and establishing reasonable safety equipment requirements for any business providing consent towing or using tow vehicles in any commercial purposes [§ 27-50-1203(c) (1)(B)].

The Towing and Recovery Board worked diligently in striving to bring more non-consent towing businesses as well as consent only businesses in compliance during FY99 and FY00. The Board issued 1,899 non-consent licenses, 2934 tow vehicle safety permits. In FY01 and FY 02 the Board issued approximately 1136 non-consent licenses and 3233 tow vehicle safety permits. In FY 03 and FY 04 the Board issued approximately 1075 non-consent licenses and 3489 tow vehicle safety permits. It is the Board's continued goal to have all tow vehicles operating on Arkansas public roadways in compliance.

During FY01 and FY02, the participation of municipal, county, and state law enforcement agencies across the state have continued to increase. Office staff continues to work with law enforcement agencies on a daily basis to help bring and keep tow businesses in compliance.

Fiscal years FY03 and FY04, were years of transition, the Board moved to a new location, established a web site, and continued to work with municipal, county and state law enforcement agencies with compliance issues.

The Arkansas Towing and Recovery Board is a nine-member board appointed by the Governor with a make-up of 4 Non-consent towing representatives, 2 Consent towing representatives, 2 citizen representatives, and 1 insurance representative. The Board has two employment positions: Administrative Assistant II and Clerical Typist.



Agency Commentary

The Arkansas Towing & Recovery Board is a cash fund agency which receives its revenues from penalties accessed for violations, late filing fees, and fees for the license and vehicle safety permit issued to towing businesses.

The Board's operating expenditures have remained steady with increased cooperation of law enforcement agencies in helping keep members of the towing industry in compliance. The Board will have to reorder year tabs for its safety permit renewals.

With the statewide accounting system, AASIS, the Board continues the need for additional appropriation to upgrade its current program basis as well as acquire new programs to assist in computerizing the current manual processes in the office. In addition, the Board is in the process of upgrading/adding to its current website/page.

To recognize the actual responsibilities of the current position, The Board has requested a title change/reclassification of the position of Administrative Assistant II to Director.

The current reserves and the projected revenues generated from the license and permit fees, late filing fees and the penalties paid by the members of the towing industry are believed to be sufficient to cover the Towing and Recovery Board's budget request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS TOWING AND RECOVERY BOARD
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	0	1	1	50 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	1	1	50 %
Total Minorities			1	50%
Total Employees			2	100 %

Cash Fund Balance Description as of June 30, 2004

Fund Account	Balance	Type	Location
3600000	\$218,051	Checking	Simmons Frist Bank, Searcy AR

Statutory/Other Restrictions on use:

Sections of 2,3,4, 5 of ACT 136 of 1999.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A. 27-50-1203 (d)

Revenue Receipts Cycle:

Funds are collected throughout the year.

Fund Balance Utilization:

Warrants are written as necessary for Board expenditures

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Analysis of Budget Request

Appropriation / Program: A28 - Cash Operations

Funding Sources: 360- Towing and Recovery-Cash

The Towing and Recovery Board is a cash fund agency established under Arkansas Code Annotated §27-50-1203 to regulate Arkansas' towing industry. The Board is responsible for promulgating and administering rules and regulations for the industry, establishing licensing, insurance and safety equipment requirements for towing and related services and establishing tow truck safety requirements for vehicles utilized for commercial purposes. The Board issues towing business licenses and tow vehicle safety permits, assesses fees for late filings and investigates allegations of violations. Funding is derived from fees levied on towing businesses.

Base Level for this appropriation includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for two (2) Base Level positions. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Board is requesting a Title Change and Reclassification on the Administrative Assistant II position to Director to recognize the actual responsibilities. The Board is also requesting an increase in Operating Expenses of \$1,248 each year to cover the cost of upgrading its current website page and Board Member stipends.

The Executive Recommendation provides for the Agency Request.

Appropriation / Program Summary

Appropriation / Program: A28 Cash Operations
Funding Sources: 360- Towing and Recovery-Cash

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	39,767	42,552	42,336	43,888	45,113	45,113	45,246	46,508	46,508
#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	13,734	14,694	14,218	15,930	16,160	16,160	16,187	16,424	16,424
Operating Expenses 5020002	31,327	41,592	41,592	41,592	42,840	42,840	41,592	42,840	42,840
Travel-Conference Fees 5050009	0	0	0	0	0	0	0	0	0
Professional Fees and Services 5060010	6,456	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	1,500	1,500	0	0	0	0	0	0
Total	91,284	107,538	106,846	108,610	111,313	111,313	110,225	112,972	112,972
Funding Sources									
Fund Balance 4000005	204,412	218,051		212,764	212,764	212,764	206,930	206,930	206,930
Cash Fund 4000045	104,923	102,251		102,776	105,479	105,479	103,631	106,378	106,378
Total Funding	309,335	320,302		315,540	318,243	318,243	310,561	313,308	313,308
Excess Appropriation/(Funding)	(218,051)	(212,764)		(206,930)	(206,930)	(206,930)	(200,336)	(200,336)	(200,336)
Grand Total	91,284	107,538		108,610	111,313	111,313	110,225	112,972	112,972

The FY05 Budgeted amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2003-05 biennium.

Change Level by Appropriation

Appropriation / Program: A28-Cash Operations
Funding Sources: 360- Towing and Recovery-Cash

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	108,610	2	108,610	100.0	110,225	2	110,225	100.0
C01	Existing Program	1,248	0	109,858	101.1	1,248	0	111,473	101.1
C10	Reclass	1,455	0	111,313	102.4	1,499	0	112,972	102.4

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	108,610	2	108,610	100.0	110,225	2	110,225	100.0
C01	Existing Program	1,248	0	109,858	101.1	1,248	0	111,473	101.1
C10	Reclass	1,455	0	111,313	102.4	1,499	0	112,972	102.4

Justification

C01	Cover the cost of upgrading its current website page and Board Member stipends.
C10	This request is for the Director of the Board due to the increase in duties and workload.